Issue Brief – State Funded IT Capital Projects

SUMMARY

As it does with buildings, Utah acquires information technology (IT) capital projects that require significant up-front investment followed by sustained operations and maintenance funds. This issue brief summarizes the IT capital projects to be considered by the Legislature during the 2006 General Session.

Tax System Modernization (Commerce and Revenue)

The Tax Commission successfully upgraded its Delinquent Collections and Motor Vehicle systems under the UTAX project. Its tax accounting and distribution systems, however, were not upgraded and are over twenty years old. Tax System Modernization would replace sales, income, and corporate tax systems, among others, facilitating income tax reform and streamlined sales tax. The first phase, beginning in FY 2007, would provide core functionality plus the income tax code set. The Analyst recommends $9 million one-time plus $6 million in non-lapsing balances for the first phase of Tax System Modernization.

Electronic Resource Eligibility Project (eRep)
(Commerce and Revenue)

The Departments of Health, Human Services, and Workforce Services have undertaken the Electronic Resource Eligibility Project (eRep) – a multiple-year project to automate management of certain social service programs. The agencies are requesting $4,085,000 from the General Fund, to be combined with $6 million in federal funds, to add a Medicaid eligibility module to eRep. The Analyst recommends $3,585,000 for this project.

Omnilink Statewide Radio Interoperability
(Executive Offices and Criminal Justice)

Omnilink is a technology asset that allows various communications devices, like cellular phones, land lines, 800 MHz, 450 MHz, and 150 MHz radios connect to one another. The state acquired Omnilink using federal funds during the Walker administration and has been operating it since. The Executive Branch did not seek legislative approval for the acquisition. It now requests $750,000 ongoing from the General Fund for operations and maintenance of Omnilink.

Utah Telehealth Network (Higher Education)

The Utah Telehealth Network provides video conferencing capabilities and other IT services to private and public health care providers across Utah. The Network has requested $500,000 for circuit charges, regular equipment upgrades, and 3.5 full-time equivalent employees that will manage and provide support for the network.

Capitol Hill Public Safety Radio (Capital Facilities)

The Capitol Preservation Board has requested $590,000 to install a distributed antenna system throughout the remodeled Capitol building. The system would support public safety communication in the capitol building, and could be expanded for cellular phones, personal digital assistants (PDAs), and laptop computers.

High Definition Digital Imagery (Capital Facilities)

The Automated Geographic Reference Center secured from federal agencies as much as $1.5 million to acquire overhead imagery of Utah. The imagery can be used for a variety of purposes, including land use planning, resource conservation and development, and homeland security. AGRC has requested $500,000 one-time for the state's share of the imagery's cost.

Offender Tracking Management Reports
(Executive Offices and Criminal Justice)

The Department of Corrections operates an extensive database – called O-Track – with which it tracks inmates. Currently, management information must be culled from the database via special requests to a limited number of Corrections employees. Corrections has requested $250,000 one-time to develop a data warehouse and web-based reporting tool so that managers can obtain information directly, without a middle-man.

Insurance Department Document Management
(Commerce and Revenue)

The Insurance Department wishes to acquire an enterprise content management (ECM) system for storing and retrieving regulatory documents. It would use restricted funds to purchase the system, but has requested $16,000 ongoing from the General Fund for software maintenance agreements.

State Funded Information Technology Projects - 2006 General Session (FY 2007)

Project Name	General/Education Funds			Other Funds	Total
	Ongoing	One-time	Subtotal		
Tax System Modernization		9,000,000	9,000,000	6,000,000	15,000,000
Electronic Resource Eligibility Project		4,085,000	4,085,000	6,083,300	10,168,300
OmniLink	750,000		750,000		750,000
Utah Telehealth Network	500,000		500,000		500,000
Capitol Hill Distributed Wireless		590,000	590,000		590,000
AGRC Digital Imagery		500,000	500,000	1,425,000	1,925,000
O-Track Management Reports		250,000	250,000		250,000
Insurance Document Managment	16,000		16,000		16,000
Total	$1,266,000	$14,425,000	$15,691,000	$13,508,300	$29,199,300

LEGISLATIVE ACTION

Should the Subcommittee approve the above projects, it could take any of all of the following actions:

- Fund one or more of the projects using resources identified in the subcommittees base budget allocation;

- Add one or more of the projects to the subcommittee's prioritization list for further consideration by the Executive Appropriations Committee.

- Direct the Fiscal Analyst to draft a letter to the oversight subcommittee for the project in question suggesting that that subcommittee add the project to its prioritization list.

Should the Subcommittee have concerns about any of the above projects, it could direct the Fiscal Analyst to draft a letter to the oversight subcommittee for the project in question.